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VIVIAN CHANG, INTERPRETER

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BEIJING PLEASE PASS CHENGDU

E.O. 12356: DECL: OADR
TAGS: DIPLO OCHRISTOPHER, WARREN, PREL, CH, RU, HK
SUBJECT: THE SECRETARY'S MEETING WITH CHINESE VICE
PREMIER QIAN QICHEN, JANUARY 24, 1994, PARIS:
WORKING LUNCH ON INTERNATIONAL ISSUES

1. CONFIDENTIAL - ENTIRE TEXT.

2. PARTICIPANTS:

U.S. PARTICIPANTS:

THE SECRETARY
AMBASSADOR KARRISMAN
AMB. WINSTON LORD, ASSISTANT SECRETARY OF STATE;

EAP
LTC MICHAEL RYAN, USAF, ASST TO CHAIRMAN, JCS
JOHN SHATTUCK, ASSISTANT SECRETARY OF STATE, HA
MICHAEL McCURRY, DEPARTMENT SPOKESMAN

CHINESE PARTICIPANTS: RELEASED IN PART

----- B1

QIAN QICHEN, VICE PREMIER AND MINISTER OF FOREIGN
AFFAIRS
CAI FANGBO, CHINESE AMBASSADOR TO FRANCE
LIU HUAQIU, VICE FOREIGN MINISTER
HA ZHENGANG, DIRECTOR, NORTH AMERICAN AND
OCEANIAN DEPT, MFA
SHEK GUOFANG, DEPUTY DIRECTOR, INFORMATION DEPT,
MFA
ZHANG HAIFENG, PERSONAL ASSISTANT TO VICE PREMIER
QIAN
LIU XIAOMING, DIRECTOR, U.S. AFFAIRS DIVISION, MFA
LIU JIEYI, DIRECTOR, DISARMAMENT DIVISION, MFA
JIANG JIANG, INTERPRETER

INTRODUCTION AND SUMMARY.

3. BY PRIOR AGREEMENT, THE SECRETARY AND VICE PREMIER
QIAN ADDRESSED BILATERAL ISSUES IN A MORNING SESSION
(SETELI) AND REGIONAL AND INTERNATIONAL QUESTIONS
DURING A WORKING LUNCH AT THE CHINESE EMBASSY IN
PARIS. IN A FREE-FLOWING, CORDIAL AND OCCASIONALLY
EVEN HUMOROUS EXCHANGE ON -- AS QIAN PUT IT -- "EVERY
REGION OF THE WORLD EXCEPT LATIN AMERICA," THE
SECRETARY SHARED U.S. POLICY PERSPECTIVES ON RUSSIA,
THE NATO PARTNERSHIP FOR PEACE, VIETNAM AND
INDOCHINA, SOMALIA, ISLAMIC FUNDAMENTALISM, AND
BOSNIA AND INVITED QIAN'S COMMENTS. QIAN SEEMED TO
APPRECIATE THE RANGE AND CANDOR OF THE SECRETARY'S
REMARKS, OCCASIONALLY INTERJECTING A PERSONAL INSIGHT
-- PARTICULARLY ON RUSSIA AND THE FORMER SOVIET
UNION, HIS CAREER SPECIALIZATION. BY AND LARGE
QIAN'S COMMENTS SHED NO NEW LIGHT ON CHINESE POLICY
DIRECTIONS OR ASSESSMENTS. THE DIALOGUE TACITLY
UNDERSCORED A POINT THE SECRETARY AND QIAN HAD MADE
EXPLICITLY EARLIER IN THE DAY: THAT THE TWO, AS
SENIOR MINISTERS OF GREAT NATIONS AND FELLOW
PERMANENT UNSC MEMBERS, BEAR A SPECIAL RESPONSIBILITY
FOR MANAGING INTELLIGENTLY BILATERAL DISPUTES AND FOR
COORDINATING RESPONSIBLY THEIR RESPECTIVE APPROACHES
TO KEY INTERNATIONAL QUESTIONS.

4. THE SECRETARY REITERATED TO QIAN THE POINT ON
HONG KONG HE HAD MADE DURING THE APEC MEETING IN
SEATTLE: THAT THE U.S. GOVERNMENT, AND U.S.
BUSINESSMEN, AMONG OTHERS, HOPED THAT CHINA-U.K.

TALKS ON HONG KONG WOULD RESUME AND THEREBY BOLSTER

CONFIDENCE IN A STABLE AND PROSPEROUS TRANSITION IN
1997. -----

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5. AS THE SITUATION ON THE KOREAN PENINSULA HAD BEEN ADDRESSED SERIOUSLY AND AT LENGTH DURING THE WORKING SESSION AND THE ONE-ON-ONE (SEPTELSI), THE SECRETARY AND QIAN DID NOT REVISIT THE ISSUE OVER LUNCH AS ORIGINALLY PLANNED.

END INTRODUCTION AND SUMMARY

RUSSIA AND FORMER SOVIET UNION

6. SHORTLY AFTER THE WORKING LUNCH COMMENCED, THE SECRETARY ALLUDED TO THE IMPORTANT NUCLEAR

DISMANTLEMENT AGREEMENT THE U.S. AND RUSSIA HAD RECENTLY CONCLUDED WITH THE UKRAINE.

7. THE SECRETARY, OBSERVING THAT QIAN IS WIDELY RECOGNIZED TO BE AN EXPERT, SOPHISTICATED OBSERVER OF THE FORMER SOVIET UNION, ASKED THE VICE PREMIER FOR HIS ANALYSIS OF THE RECENT RUSSIAN ELECTION. QIAN ACKNOWLEDGED THE COMPLIMENT BUT REPLIED SMILINGLY THAT "NOBODY CAN SAY THAT HE HAS AN ACCURATE UNDERSTANDING OF THE CURRENT SITUATION, AND SO FAR THERE ARE NO SOLUTIONS IN SIGHT TO THE TWO KEY ISSUES: THE STAGNATION OF THE ECONOMY, AND THE INSTABILITY OF THE POLITICAL SITUATION."

8. THE SECRETARY OBSERVED THAT THE U.S. CONTINUES TO FIND REASSURANCE IN THE ATTITUDES OF PRESIDENT YELTSIN, SPECIFICALLY IN HIS ONGOING COMMITMENT TO ECONOMIC, DEMOCRATIC AND FOREIGN POLICY REFORM.

MOREOVER, THE NEW RUSSIAN CONSTITUTION GIVES YELTSIN CONSIDERABLE POWERS, ESPECIALLY IN FOREIGN AFFAIRS. WHILE YELTSIN WILL CLEARLY BE OBLIGED TO BUILD COALITIONS IN THE NEW PARLIAMENT, HE HAD DEMONSTRATED PREVIOUSLY HIS FORMIDABLE ARRAY OF POLITICAL SKILLS.

9. AS FAR AS THE RUSSIAN ECONOMY IS CONCERNED, THE SECRETARY CONTINUED, THE RUSSIANS UNDOUBTEDLY LOOKED TO CHINA WITH ENVY. NEVERTHELESS, THERE HAD BEEN SOME SIGNS OF PROGRESS RECENTLY, PRINCIPALLY IN THE AREA OF PRIVATIZATION OF SMALL AND MEDIUM-SIZED INDUSTRIES. NO DOUBT, THE SECRETARY OBSERVED, THE CHINESE APPROACH OF FIRST PRIVATIZING THE AGRICULTURAL SECTOR MADE GREAT SENSE IN CHINA -- AND PERHAPS WOULD HAVE IN RUSSIA, TOO, HAD THIS BEEN LAUNCHED SOME YEARS AGO. NOW THE RUSSIANS DID NOT ENJOY THE LUXURY OF THAT OPTION, SO THE RUSSIAN PROCESS HAS BEEN MORE CHAOTIC THAN THAT OF THE CHINESE.

10. QIAN RECALLED THAT YELTSIN'S PLANNED VISIT TO CHINA'S VERY SUCCESSFUL SHENZHEN SPECIAL ECONOMIC ZONE HAD BEEN ABORTED WHEN HE HAD TO RETURN TO MANAGE A DOMESTIC CRISIS IN DECEMBER 1992. NEVERTHELESS, SOME OF HIS ENTOURAGE HAD VISITED SHENZHEN AND PERHAPS TAKEN HOME SOME USEFUL LESSONS. DESPITE ALL THE PROBLEMS IN RUSSIA, QIAN REMARKED, IT WAS AN INTERESTING FACT THAT THE VOLUME OF SINO-RUSSIAN TRADE TODAY EXCEEDED THE PEAK VOLUME IN RECENT YEARS OF TOTAL CHINESE TRADE WITH THE FORMER SOVIET UNION. THAT TRADE WOULD BE GREATER, AS WOULD CHINESE INVESTMENT, WERE THERE MORE CONFIDENCE IN THE STABILITY OF THE RUBLE. THE SECRETARY INTERJECTED THAT U.S. BUSINESS REPRESENTATIVES ALSO HAD CONCERN

ON THIS SCORE, AS WELL AS ABOUT THE ABSENCE OF A LEGAL FRAMEWORK TO SAFEGUARD THEIR INVESTMENTS.

ISLAMIC FUNDAMENTALISM

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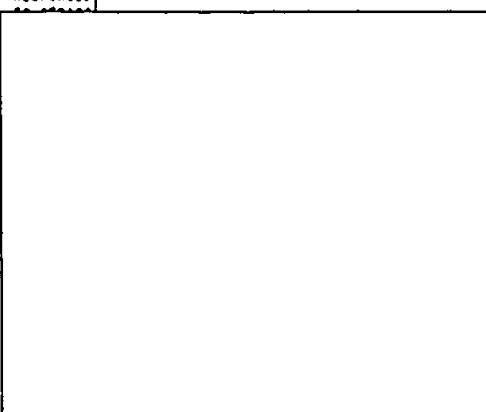
BOSNIA

16. WHEN QIAN INQUIRED ABOUT THE SITUATION IN BOSNIA AND THE POSSIBLE U.S. RESPONSES, THE SECRETARY RESPONDED: "IT IS HARD TO SETTLE A FAMILY FEUD IF THE FAMILY DOESN'T WANT TO SETTLE IT." SECRETARY CHRISTOPHER DESCRIBED THE KEY FACTORS IN THE SITUATION, AND THE PRESSURES ARISING FROM A PUBLIC

OPINION INFLAMED BY PERIODIC REPORTING OF ATROCITIES SUCH AS THE DEATH OF SCHOOLCHILDREN BY ARTILLERY FIRE WHILE THEY WERE SNOW SLEDDING. THE SECRETARY WRYLY STATED HIS ENVY OF CHINA, WHICH HAD MANAGED NOT TO HAVE OTHERS ASKING "WHY DOESN'T CHINA DO SOMETHING ABOUT THIS SITUATION?" QIAN INQUIRED WHETHER ANY MUSLIM COUNTRIES WERE AIDING BOSNIA, AND THE SECRETARY REPLIED THAT MALAYSIA AND INDONESIA WERE SEEKING TO BE HELPFUL, WHILE IRAN WAS SUPPLYING ARMS -- OF MORE DUBIOUS UTILITY. PAKISTAN AND AFGHANISTAN ALSO HAD Lent SUPPORT TO THE BOSNIAN MUSLIMS, THE SECRETARY SAID, WHICH, TAKEN AS A WHOLE, MIGHT ACCOUNT FOR THE BETTER MILITARY SHOWING RECENTLY BY THE BOSNIAN MUSLIMS. QIAN EXPRESSED ASTONISHMENT WHEN LTC RYAN INTERJECTED THAT EVEN ALBANIA WAS SENDING SOME ASSISTANCE TO FELLOW MUSLIMS IN BOSNIA.

SOMALIA

17. THE SECRETARY AND QIAN EXCHANGED VIEWS ON THE COMPLEXITIES OF THE SOMALI SITUATION ON THE GROUND, AND THE DIFFICULTY OF DEVELOPING AN EFFECTIVE POLICY RESPONSE.

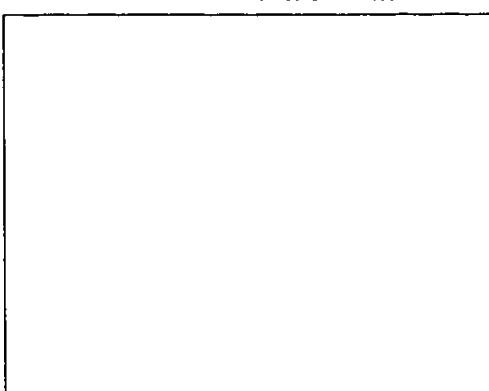


THE SECRETARY REPLIED THAT THERE IS VIRTUALLY NO LIKELIHOOD THAT U.S. FORCES WILL REMAIN IN SOMALIA AFTER MARCH 31.

HONG KONG

18. TAKING UP AN ISSUE HE HAD ADDRESSED WITH QIAN IN

SEATTLE LAST NOVEMBER, THE SECRETARY EXPRESSED A STRONG HOPE THAT SOME ARRANGEMENT MIGHT BE WORKED OUT BETWEEN CHINA AND THE BRITISH TO ENSURE A STABLE AND PROSPEROUS TRANSITION OF HONG KONG TO CHINESE SOVEREIGNTY IN 1997. WHAT HE ASKED QIAN: ARE THE PROSPECTS FOR THIS? THIS WAS A MATTER OF IMPORTANCE TO THE U.S. GOVERNMENT AND TO THE U.S. BUSINESS COMMUNITY, AMONG OTHERS, THE SECRETARY ADDED.



Vietnam

19. THE SECRETARY OUTLINED FOR QIAN THE CURRENT STATE OF U.S. THINKING ABOUT RELATIONS WITH VIETNAM. LAST YEAR, IN RESPONSE TO VIETNAMESE COOPERATION OF MIAs, WE HAD UNDERTAKEN TO CHANGE OUR RELATIONS: WE CEASED TO BLOCK INTERNATIONAL FINANCIAL INSTITUTION LENDING ARRANGEMENTS WITH VIETNAM AND WE ALSO GAVE THE GO-AHEAD TO AMERICAN FIRMS TO BID ON CONTRACTS FUNDED BY IFIS. RECENTLY WE RECEIVED VERY GOOD COOPERATION ON POW-MIA MATTERS, AND INDEED, IN 1993 WE HAD THE BEST COOPERATION YET FROM HANOI. LTC RYAN INTERJECTED THAT THE U.S. GOVERNMENT SIMILARLY APPRECIATED CHINA'S EXCELLENT COOPERATION ON MIA AFFAIRS. THEREFORE, THE SECRETARY SAID, WE ARE NOW CONSIDERING POSSIBLE NEXT STEPS, INCLUDING WHETHER TO LIFT THE REST OF THE TRADE EMBARGO, BUT ON A SEQUENTIAL BASIS.

21. QIAN AFFIRMED THAT, IN CHINA'S JUDGMENT, THAT WOULD BE A VERY POSITIVE STEP. TURNING TO CHINA'S OWN RELATIONS WITH VIETNAM, QIAN PAINTED A PICTURE OF RAPIDLY IMPROVING TIES. THE TWO HAD HELD LONG TALKS ON THEIR BORDER DISPUTES, AND WHERE THEY COULD NOT RESOLVE THEM -- E.G., ON THE NANSHA OR SPRATLEY ISLANDS -- THEY WERE DISCUSSING JOINT ECONOMIC

DEVELOPMENT. SINO-VIETNAMESE ECONOMIC TIES WERE GENERALLY ON THE UPSWING, QIAN SAID.

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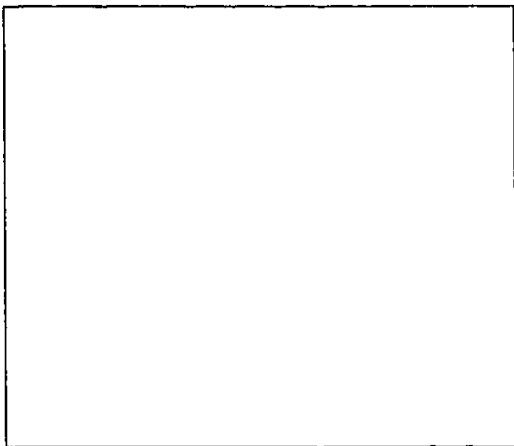
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NATO PARTNERSHIP FOR PEACE

23. THE SECRETARY ELABORATED FOR QIAN PRESIDENT CLINTON'S CONCEPT FOR A NATO PARTNERSHIP FOR PEACE.

IN RESPONSE TO QIAN'S QUESTIONS

THE SECRETARY SAID THAT EACH OF THE EASTERN EUROPEAN COUNTRIES AND FORMER SOVIET UNION REPUBLICS WOULD ATTAIN THIS STATUS, VIRTUALLY AUTOMATICALLY, THROUGH SIMPLY APPLYING. RUSSIA WAS NO EXCEPTION. PARTICIPANTS WOULD TRAIN, PLAN AND EXERCISE WITH NATO -- AT LEVELS AND FREQUENCIES OF THEIR OWN CHOICE. THE DEGREE OF PARTICIPATION WOULD FACTOR HEAVILY INTO THE CONSIDERATION OF A PARTICULAR NATION'S SUBSEQUENT APPLICATION FOR FULL-FLEDGED NATO MEMBERSHIP. BECAUSE THE CONCEPT IS NOT DISCRIMINATORY, THE SECRETARY SAID, RUSSIA IS NOT OPPOSED. WHEN QIAN ASKED EXPLICITLY WHETHER CENTRAL ASIAN NATIONS WHICH HAD BEEN PART OF THE FORMER SOVIET UNION MIGHT ALSO QUALIFY, THE SECRETARY

AFFIRMED THAT THEY COULD.

MIDDLE EAST, SOUTH AFRICA

24. THE SECRETARY AND QIAN CONCLUDED THEIR TOUR D'ORIZON WITH A BRIEF EXCHANGE ON THE MIDDLE EAST AND THE EVOLVING SITUATION IN SOUTH AFRICA. WHEN

QIAN ASKED WHETHER THE SECRETARY ENVISAGED AN END TO "TWISTS AND TURNS IN THE MIDDLE EAST PEACE PROCESS," THE SECRETARY ELICITED THE GREATEST MERRIMENT OF THE DAY FROM QIAN (AND OTHERS ON THE CHINESE SIDE) BY HIS PITHY REPLY: "I THINK I CAN FLATLY SAY NO TO THAT."

CHRISTOPHER

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